

Decision **PROPOSED DECISION OF ALJ HECHT** (Mailed 8/28/2014)

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of San Diego Gas & Electric Company (U902E) for Approval of its Proposals for Dynamic Pricing and Recovery of Incremental Expenditures Required for Implementation.	Application 10-07-009 (Filed July 6, 2010)
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INTERVENOR COMPENSATION CLAIM OF THE UTILITY CONSUMERS' ACTION NETWORK AND DECISION ON INTERVENOR COMPENSATION CLAIM OF THE UTILITY CONSUMERS' ACTION NETWORK

Intervenor: Utility Consumers Action Network (UCAN)	For contribution to Decision (D.) 12-12-004
Claimed (\$): \$286,509.25	Awarded (\$): \$205,999.92 (reduced 28.103%.)
Assigned Commissioner: Michael Peevey	Assigned Administrative Law Judge (ALJ): Jessica Hecht

PART I: PROCEDURAL ISSUES

A. Brief Description of Decision:	Adopts a dynamic pricing structure for San Diego Gas & Electric Company (SDG&E) residential and small commercial customers and denies the motion for approval of a settlement agreement.
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B. Intervenor must satisfy intervenor compensation requirements set forth in Public Utilities Code §§ 1801-1812:

	Intervenor	CPUC Verified
Timely filing of notice of intent to claim compensation (NOI) (§ 1804(a)):		
1. Date of Prehearing Conference:	August 25, 2010	Verified
2. Other Specified Date for NOI:	N/A	
3. Date NOI Filed:	September 1, 2010	Verified
4. Was the NOI timely filed?		Yes

Showing of customer or customer-related status (§ 1802(b)):		
5. Based on ALJ ruling issued in proceeding number:	Comment 1	
6. Date of ALJ ruling:	Comment 1	
7. Based on another CPUC determination (specify):	Comment 1	D.10-05-013
8. Has the Intervenor demonstrated customer or customer-related status?		Yes
Showing of “significant financial hardship” (§ 1802(g)):		
9. Based on ALJ ruling issued in proceeding number:		
10. Date of ALJ ruling:		
11. Based on another CPUC determination (specify):		D.10-05-013
12. Has the Intervenor demonstrated significant financial hardship?		Yes
Timely request for compensation (§ 1804(c)):		
13. Identify Final Decision:	D.12-12-004	Verified
14. Date of Issuance of Final Order or Decision:	December 20, 2012	December 27, 2012
15. File date of compensation request:	February 14, 2013	February 15, 2013
16. Was the request for compensation timely?		Yes

C. Additional Comments on Part I:

#	Intervenor	CPUC	Comment
1	X	XX	<p>UCAN filed its NOI with its showing of customer status on September 1, 2010.</p> <p>UCAN's NOI states the following with regard to its customer status:</p> <p>In D.98-04-059, the Commission directed intervenors to state in their NOIs which of three customer "categories" they fall within. UCAN is a "group or organization authorized pursuant to its articles of incorporation or bylaws to represent the interests of residential ratepayers." The decision also requires groups such as UCAN to include in their NOIs a copy of the authorization in their articles of incorporation to represent residential customers, or to provide a reference to a previous filing. D.98-04-059, at 30. UCAN provided the relevant portion of our articles of incorporation in an ALJ's Ruling in Application (A.) 05-02-019 dated June 28, 2005. The articles of incorporation have not changed since the time of those earlier submissions.</p> <p>Finally, D.98-04-059 directs groups such as UCAN to indicate the percentage of their members that are residential ratepayers. UCAN has approximately 31,000 dues paying members, of whom we believe the vast majority are residential and small business ratepayers.</p> <p>Section 1802(b)(1) of the Public Utilities Code defines a "customer" as: (A) a participant representing consumers, customers or subscribers of a utility; (B) a representative who has been authorized by a customer; or (C) a representative of a group or organization authorized pursuant to its articles of incorporation or bylaws to represent the interests of residential or small business customers (§ 1802(b)(1)(A) through (C).) In its compensation request here, UCAN asserts that it is category 3 customer as defined in §1802(b). We find that UCAN is a customer pursuant to § 1802(b)(1)(C) and is determined to be eligible to receive intervenor compensation under the standard of significant financial hardship, based on the rebuttable presumption established in D.10-05-013 (issued in A.09-10-013). This approach is consistent with the requirements of § 1804(b)(1). UCAN's customer status and eligibility to receive intervenor compensation under the significant financial hardship standard was also recently affirmed in D.14-06-049.</p>

PART II: SUBSTANTIAL CONTRIBUTION

A. In the fields below, describe in a concise manner Intervenor’s contribution to the final decision (*see* § 1802(i), § 1803(a) & D.98-04-059).

Intervenor’s Claimed Contribution(s)	Specific References to Intervenor’s Claimed Contribution(s)	CPUC Discussion
<p>1. UCAN demonstrated that SDG&E’s small commercial dynamic pricing rate proposal is flawed and could create customer confusion and should not be adopted.</p>	<ul style="list-style-type: none"> • D.12-12-004, p. 30 (“UCAN objects to several aspects of the PSW rate design, including but not limited to the level of the PSW adder, and recommends that changes that are not central to the development of dynamic pricing should be considered in SDG&E’s Phase 2 GRC rather than in this proceeding.”) and p. 72, Order 6 (“The specific rate design for both the residential and non-residential dynamic rate structures adopted in this decision will be determined in Application 11-10-002 [SDG&E’s Phase 2 GRC proceeding].”) • D.12-12-004, p. 31 (“DRA and UCAN both argue in testimony that SDG&E’s rate proposal would be difficult for customers to understand, and could create confusion and (potentially) rate shock... We are 	<p>Yes</p>

	<p>persuaded that SDG&E's original rate design proposal is likely to create confusion among customers.”)¹</p> <ul style="list-style-type: none"> • D.12-12-004, p. 65, Finding of Fact 5 (“SDG&E's PSW proposal would have transitioned small non-residential customers abruptly to a complex set of new dynamic rates.”) • UCAN Testimony of Steven McClary, p. 12 (“Most small commercial customers will be introduced to TOU rates for the first time when dynamic pricing is implemented. Introducing a demand charge at the same time would make it more difficult for these customers to adjust to their new rate structures, wisely manage their electricity usage, and come to accept their new rates.”) 	
2. UCAN demonstrated that SDG&E's residential dynamic pricing rate proposal is flawed and could create customer confusion and should not be adopted.	<ul style="list-style-type: none"> • D.12-12-004, p. 36 (“In contrast, [to DRA] UCAN claims that the rates proposed by SDG&E could interfere with rather than support 	Yes

¹ The Division of Ratepayer Advocates (DRA) was renamed the Office of Ratepayer Advocates (ORA) effective September 26, 2013, pursuant to Senate Bill No. 96 (Budget Act of 2013: public resources), which was approved by the Governor on September 26, 2013. When citing to decisions, we refer to DRA but otherwise refer to ORA.

	<p>customer conservation incentives. As an example, UCAN notes that for customers using electricity in the current Tier 4 rate, the proposed summer on-peak PSH rate proposed by SDG&E would be lower than what the customer currently experiences during summer evenings. As in the case of SDG&E's proposed PSW rates, UCAN also argues that SDG&E has not minimized the differences between its existing rates and its proposed PSH rates: current rates and the proposed TOD rates are different in every time period... We agree with parties that SDG&E's original PSH proposal is overly complex... For these reasons, we adopt a voluntary TOD and PSH rate structure for residential customers, but as in the case of small non-residential customers, a specific rate design will be adopted in A.11-10-002.”)</p> <ul style="list-style-type: none"> • D.12-12-004, p. 65, Finding of Fact 6 (“SDG&E’s original PSH proposal is complex and likely to confuse residential customers.”) 	
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	<ul style="list-style-type: none"> UCAN Testimony of Steven McClary, p. 14 (“The likelihood that SDG&E’s proposed changes to the number of residential tiers and the number of small commercial TOU periods could hinder achievement of key dynamic pricing goals was discussed above. This is reason enough not to adopt these changes. Even if the changes were not counter to dynamic pricing goals, it would still be unwise to adopt them at the same time as adopting the dynamic pricing rates. These unnecessary changes further complicate an already challenging transition for customers. They would make it more difficult for customers to understand their new rates and rate options and could even skew customer incentives.”) 	
<p>3. UCAN demonstrated that SDG&E’s rate proposals that are not central to the development of dynamic pricing should not be adopted and should be considered in SDG&E’s GRC Phase 2 proceeding. These include SDG&E’s proposals to eliminate the fourth residential tier, eliminate the small-commercial semi-peak period, and reclassify October as a summer month for small commercial customers.</p>	<ul style="list-style-type: none"> D.12-12-004, p. 72, Order 6 (“The specific rate design for both the residential and non-residential dynamic rate structures adopted in this decision will be determined in Application 11-10-002 [SDG&E’s Phase 2 GRC proceeding].”) 	Yes

	<ul style="list-style-type: none">• D.12-12-004, p. 30 (“UCAN objects to several aspects of the PSW rate design, including but not limited to the level of the PSW adder, and recommends that changes that are not central to the development of dynamic pricing should be considered in SDG&E’s Phase 2 GRC rather than in this proceeding.”)• UCAN Testimony of Steven McClary, pp. 12 (“SDG&E has proposed in this proceeding three rate structure changes that are not directly linked to dynamic pricing: eliminating the fourth residential usage tier, eliminating the small-commercial semi-peak period, and reclassifying October as a summer month for small commercial customers. These proposals should not be adopted for the following reasons: 1. They may hinder key dynamic pricing goals. 2. Adding extraneous changes at the same time as the new rate structures are implemented may be confusing to customers. 3. SDG&E has not presented studies or	
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	<p>analysis to support the proposals.”)</p> <ul style="list-style-type: none"> • UCAN Testimony of Steven McClary, pp. 13 (“Rate structure changes that are not directly linked to dynamic pricing should be deferred until they can be considered in a broader context...The appropriate venue to consider these changes, along with the changes in the number of residential tiers, is Phase 2 of SDG&E’s 2012 GRC.”) 	
<p>4. UCAN demonstrated that SDG&E’s proposed dynamic pricing implementation should not occur during the summer months.</p>	<ul style="list-style-type: none"> • D.12-12-004, pp. 31-32 (“We require SDG&E to implement optional TOD and PSW rates for its small non-residential customers starting on November 1, 2013, with mandatory TOD rates for these customers beginning on November 1, 2014. After implementation of default TOD, small non-residential customers will not be able to opt out to a flat rate. Also on November 1, 2014, small non-residential customers not on agricultural tariffs will be subject to default PSW rates, but will retain the ability to opt out to 	Yes

	<p>TOD rates without a CPP component.”)</p> <ul style="list-style-type: none">• D.12-12-004, p. 32 (“Also, we prefer not to implement new time-varying rates during the summer season. Depending on how TOD rates are designed and on customers’ usage patterns, the new rates may have a significant effect on some customers’ bills, so it is reasonable to implement such rates after the high-demand summer season is over.”)• D.12-12-004, pp. 37-38 (“Given that we prefer not to implement new time-varying rates during the summer season, we find that unless otherwise established in the SDG&E Phase 2 GRC proceeding, SDG&E shall implement optional TOD and PSH rates for residential customers in November 2013. This schedule is consistent with the schedule for implementation of optional dynamic pricing for SDG&E’s non-residential customers, as provided in this	
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	<p>decision.”)</p> <ul style="list-style-type: none"> UCAN Testimony of Steven McClary, p. 20 (“Small commercial customers should have at least two months of experience on dynamic pricing rates before the summer months to allow them to deliberately adjust to the new rate schedules before the more significant rate changes take effect. SDG&E’s proposal to switch customers to dynamic pricing rates in all months but July through September appears inconsistent with current seasonal definitions; a customer switching from flat rates to time of use rates can see a significant change beginning with the start of the summer season in May. To maintain consistency and ease the transition, SDG&E should not start small commercial customers on dynamic pricing rates between March 1 and the end of the summer rate period.”) 	
5. UCAN demonstrated that customer bill protections beyond those proposed by SDG&E are necessary.	<ul style="list-style-type: none"> D.12-12-004, p. 39 (“The settlement contains several of 	Yes

	<p>the additional customer protection provisions suggested by other parties, including the following: 5. Customers enrolling in (or defaulting to) a PSW CPP component would receive extended bill protection. This would allow customers to receive up to 24 months of bill protection, further reducing the likelihood of customer rate shock and allowing customers time to adjust their electric usage patterns to avoid high charges under the PSW tariff. 6. Customers would have access to new “snap credits,” under which portions of particularly high summer bills incurred due to new dynamic rates could be deferred to be repaid over three to six months.”)</p> <ul style="list-style-type: none">• D.12-12-004, p. 72, Order 7 (“San Diego Gas & Electric Company shall incorporate into and implement within its dynamic rates the consumer protections described in this	
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	<p>decision, including 12 months of bill protection for Peak Shift at Work and Peak Shift at Home customers, shadow billing, snap credits, and tracking of customer calls, and may implement the rates adopted in this decision to their customers on a rolling basis over a six-month period.”)</p> <ul style="list-style-type: none">• D.12-12-004, p. 67, Finding of Fact 25 (“The snap-credit provision contained in the settlement agreement will protect customers from unusually high bills after the implementation of dynamic pricing.”)• UCAN Testimony of Steven McClary, p. 21 (“A customer’s first year on a new rate schedule can be thought of primarily as a trial period to provide the customer with information on how to adjust to the new rate structure and on whether a different rate schedule would be preferable. Protecting against a sizable bill increase during this trial period is likely to encourage more	
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	<p>customers to try out an optional rate schedule. This is why bill protection is an important tool to increase customer acceptance of a new rate structure....SDG&E has proposed that bill protection be lifted after the customer's first year on the rates, regardless of the number of events that are called. If no events are called during this first year or if just a few events are called, participants will not have gained the full range of experience with these rates...If no events or just a few events are called during the year of bill protection, customers may decide to remain on these rates and then be surprised by large bill increases that come in a future year in which more than a handful of events are called...Extending bill protection until nine events have been called would provide customers with enough information to make a reasoned decision on whether to remain on PSW/PSH rates and</p>	
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	should assuage concerns about being 'tricked' by SDG&E.”)	
6. UCAN demonstrated that an annual review process is necessary to evaluate SDG&E’s implementation of a dynamic pricing program.	<ul style="list-style-type: none"> • D.12-12-004, p. 60 (“In addition to these requirements, and as recommended in the proposed settlement, SDG&E will conduct annual surveys of a statistically representative sample of customers to measure the education metrics adopted with this decision as Attachment A, and data on these metrics will be made accessible to the public.”) • D.12-12-004, p. 72, Order 8 (“San Diego Gas & Electric Company shall hold quarterly meetings with interested parties and the Commission’s staff to develop, refine, and report progress related to its outreach and education activities. This plan shall include descriptions of and timelines for education and outreach activities and media strategies.”) • UCAN Testimony of 	Yes

	<p>Steven McClary, p. 26-27 (“For a newly introduced program such as the proposed dynamic pricing rates, careful periodic review is needed to assure that objectives are met and that the results are in line with expectations. This is critical both to assure success of the program and to build customer acceptance. If program results are not in line with expectations, regular reviews offer the option of quickly adjusting specifics of the program to improve results, or eliminating aspects of the program that simply prove unsuccessful... Such a review should include application of transparent and agreed-upon metrics for customer acceptance, load-shifting, cost per kWh saved/shifted, and other parameters... The first step of the program review should be an assessment of the program’s cost effectiveness... Metrics that could be used to valuate customer understanding are manifold... These</p>	
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	metrics should guide the annual review process and should be used to identify changes that could increase program acceptance and effectiveness.”)	
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B. Duplication of Effort (§§ 1801.3(f) & 1802.5):

	Intervenor’s Assertion	CPUC Verified
a. Was the Office of Ratepayer Advocates (ORA) a party to the proceeding?	Yes	Verified
b. Were there other parties to the proceeding with positions similar to yours?	Yes	Verified
c. If so, provide name of other parties: The City of San Diego		UCAN cites only the City of San Diego as having similar positions or justification. In fact, several other parties held similar positions, including California Farm Bureau Federation, ORA, Energy Users Forum, Disability Rights Advocates, Alliance for Retail Energy Markets, Federal Executive Agencies, California Small Business Roundtable, and California Small Business Association.

<p>d. Describe how you coordinated with ORA and other parties to avoid duplication or how your participation supplemented, complemented, or contributed to that of another party:</p> <p>UCAN and the City of San Diego (“the City”) discussed likely testimony positions in order to avoid duplicative testimony. The City did not submit testimony, but did participate in other areas of the proceeding.</p> <p>UCAN and ORA pursued different priorities in their testimonies and associated proposals. While both parties opposed SDG&E’s dynamic pricing rate proposals for both residential and small commercial customers, ORA and UCAN each presented different arguments against SDG&E’s proposed rates and different alternatives. Examples of these arguments and differing positions on SDG&E’s proposals are described below.</p> <p>Residential Dynamic Pricing Rates:</p> <ul style="list-style-type: none"> • ORA proposed a much-reduced PSH adder of \$0.50 cents/kWh paired with higher energy charges (ORA Testimony, p. 2-2). UCAN did not endorse this approach and instead proposed that a \$0.91 cents/kWh adder, as proposed by SDG&E, be paired with energy charges with much greater TOU period differentials (UCAN Testimony of Steven McClary, p. 42). • UCAN opposed SDG&E’s proposed elimination of the fourth residential rate tier and recommended that any such proposal be addressed in SDG&E’s GRC Phase 2 (UCAN Testimony of Steven McClary, pp. 11-12). ORA’s testimony did not address the appropriateness of this proposal. <p>Non-Residential Dynamic Pricing Rates:</p> <ul style="list-style-type: none"> • UCAN explicitly opposed SDG&E’s proposed elimination of the small commercial semi-peak TOU period and SDG&E’s proposed reclassification of October as a summer month for small commercial customers, and recommended that any such proposals be addressed in SDG&E’s GRC Phase 2 (UCAN Testimony of Steven McClary, p. 12). ORA’s testimony did not address the appropriateness of these proposals. • ORA argued that a CPP rate is not appropriate for small commercial customers and made a broad policy argument that TOU rates are universally better for small commercial customers than CPP/PSW rates (ORA Testimony p. 3-8). UCAN did not argue against SDG&E’s proposed PSW program on a policy basis, as ORA did, but instead objected to the specifics of SDG&E’s proposed rate design (UCAN Testimony of Steven McClary, pp. 9-11). • ORA stated that SDG&E appropriately attempted to smooth on- 	<p>While UCAN explains how it coordinated with ORA, it does not specifically explain its coordination with City of San Diego, nor how it coordinated with other parties with similar positions. Many other parties, including ORA and Greenlining, discussed the need for customer bill protection.</p> <p>In UCAN’s comments filed on the Proposed Decision, UCAN adequately addresses and explains how it coordinated with other parties and avoided duplication.</p>
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<p>and off-peak differentials in its proposed PSW rate and recommended that these differentials be further flattened (ORA Testimony p. 3-6). UCAN argued that SDG&E's proposed PSW program includes insufficient TOU differentiation (UCAN Testimony of Steven McClary, pp. 9-11).</p> <ul style="list-style-type: none"> UCAN presented analysis showing that SDG&E's rate proposal would discourage customers' use of solar distributed generation (UCAN Testimony of Steven McClary, p. 14). ORA did not present any comparable analysis. <p>Customer Bill Protection:</p> <ul style="list-style-type: none"> UCAN and ORA both proposed that SDG&E should provide small commercial customers with bill protection relative to their prior rate schedules, rather than relative to SDG&E's proposed TOU rates (ORA Testimony pp. 3-3 – 3-4 and UCAN Testimony of Steven McClary pp. 21-22). However, UCAN went further in describing in detail why SDG&E's proposed 12 months of bill protection are inadequate and why some form of extended bill protection is necessary (UCAN Testimony of Steven McClary p. 21); why TOU customers, not just PSH/PSW customers, should receive bill protection (UCAN Testimony of Steven McClary p. 22); and why SDG&E's proposed requirement that customers receiving bill protection remain on their new rate schedule for at least 12 months is unreasonable (UCAN Testimony of Steven McClary pp. 22-23). 	
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PART III: REASONABLENESS OF REQUESTED COMPENSATION

A. General Claim of Reasonableness (§§ 1801 & 1806):

<p>a. Concise explanation as to how the cost of Intervenor's participation bears a reasonable relationship with benefits realized through participation</p> <p>UCAN's advocacy reflected in D.12-12-004 resulted in ratepayer benefits by allowing for a more careful development of significant rate changes that could, if incorrectly implemented, harm customers and reduce incentives related to California state policy goals, such as encouraging energy efficiency and solar distributed generation.</p> <p>SDG&E estimated incremental dynamic pricing program implementation costs to ratepayers of \$118 million (SDG&E Testimony of Joseph S. Velasquez, p. JSV-14). It is imperative that ratepayers not pay this money for a program that is poorly structured, confuses and harms ratepayers, and is not likely to succeed in incentivizing conservation and other behaviors that support state energy policy. UCAN's contributions in this proceeding directly support the effective use of these funds by advocating for ratepayer</p>	<p>CPUC Verified</p> <p>Yes</p>
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<p>protections during a reasonable transition to these new rate structures, while simultaneously advocating for a rate design capable of accomplishing the dynamic pricing program's goals.</p> <p>Given these benefits, the Commission should find that UCAN's efforts have been productive and its claims reasonable.</p>	
<p>b. Reasonableness of Hours Claimed.</p> <p>UCAN's detailed analysis of SDG&E's proposal highlights specific shortcomings of SDG&E's proposed rate design and ratepayer protections (described and cited in Part 2). It has directly resulted in the Commission's rejection of SDG&E's poorly designed and overly complex proposed rates and the implementation of improved ratepayer protections. It has also provided a basis for considering key modifications that will improve SDG&E's revised rate proposal, which is under consideration in the GRC Phase 2 proceeding. Performing such analyses and developing quantitative proposals is time consuming, and the hours presented in this filing accurately reflect the effort required for UCAN's reasonable and relevant participation in this proceeding.</p>	<p>Yes. <i>See</i> Comment, below.</p>
<p>c. Allocation of Hours by Issue</p> <p>UCAN allocated attorney and advocate hours by task – allocating between General Preparation and Discovery, and Testimony, Hearings and Settlement. Consultant hours were allocated by issues as follows: General, Residential, Non-Residential, and Customer Acceptance.</p>	<p>Yes.</p>

CPUC Comment on Reasonableness of Hours Claimed
<p>While D.12-12-004 properly declined to adopt the proposed Settlement Agreement, we recognize that the parties put a substantial number of hours into debating the issues, building a confidential record, and negotiating a compromise approach. We agree that it is reasonable to compensate UCAN for these efforts. It is correct that the Commission relied on UCAN's analysis for certain shortcomings contained in SDG&E's proposal, but we note that ORA also significantly contributed to that analysis. In addition, as we did in D.10-05-013 we again admonish UCAN, as we do all intervenors, that when multiple participants are utilized to perform the same task, that it must provide the Commission with sufficient information to ensure that their work is not duplicative.</p> <p>While UCAN may find it necessary to have several individuals involved in the same work efforts, without a clear explanation of how these efforts differ from one another, we see no reason why ratepayers should pay for what appears to be duplicative and inefficient efforts. After reviewing UCAN's comments on the decision, it appears UCAN misunderstands the nature</p>

of the Commission's reduction. UCAN states "[t]he proposed decision's 20% across-the-board reduction in all hours claimed for 'inefficiency and duplication' of other parties' testimonies is unwarranted and should not be imposed." Comments of UCAN to the Proposed Decision, p. 4.

As stated, above, a large part of the duplication disallowance by the Commission was for internal duplication between UCAN's own attorneys and experts. See D.11-05-016 and D.10-05-013, p.11 (stating "We admonish UCAN here, as we do all intervenors, that when multiple participants are utilized to perform the same task, that it must provide the Commission with sufficient information to ensure that their work is not duplicative. While UCAN may find it necessary to have several individuals involved in the same work efforts and we recognize its efforts to participate economically, without a clear explanation of how these efforts differ from one another, we see no reason why ratepayers should pay for the training of new participants and/or inefficient efforts.").

UCAN must ensure that no internal duplication occurs. As stated in the Commission's Intervenor Compensation Program Guide (available online at <http://www.cpuc.ca.gov/PUC/IntervenorCompGuide/>), which offers detailed guidance on the filing of intervenor compensation requests, part of the reasonableness of hours claimed tab "may explain how you delegated work internally to ensure the intervenor's representatives' level of experience was appropriate for the assigned tasks and no unnecessary internal duplication of each other's work took place." Intervenor Compensation Program Guide, p. 16.

Here, UCAN chose not to offer such an explanation and the submitted timesheets show significant internal duplication. In this proceeding, UCAN utilized seven experts, one research assistant, one advocate, and one attorney in a manner that produced excessive hours claimed and duplication. Because of the internal duplication, and because a line-by-line reduction is impossible, due to the vagueness of some of UCAN's timesheet entries, the Commission applies a 10% reduction to UCAN's hours.

B. Specific Claim:

CLAIMED						CPUC AWARD		
ATTORNEY, EXPERT, AND ADVOCATE FEES								
Item	Year	Hours	Rate	Basis for Rate*	Total \$	Hours	Rate	Total \$
Michael Shames (Advocate)	2010	68.1	\$535	Rate requested in A.11-03-001	\$36,433.50	68.1	\$330	\$22,473.00
Michael Shames (Advocate)	2011	147.6	\$535	Rate requested in A.11-03-001	\$78,966	147.6	\$330	\$48,708.00
Michael Shames (Advocate /	2012	10.9	\$535	Rate requested in	\$5,831.50	10.9	\$365	\$3,978.50

Attorney)				A.11-03-001				
David A. Pepper, Esq. (Attorney)	2012	8.5	\$200	Rate requested in A.11-03-001	\$1,700	8.5	\$200	\$1,700.00
Steven C. McClary (Consultant - MRW)	2010	55.75	\$300	Rate requested in Attachment 2	\$16,725	55.75	\$300	\$16,725.00
Heather L. Mehta (Consultant - MRW)	2010	30.25	\$275	Rate requested in attachment 5	\$8,319	30.25	\$275	\$8,318.75
Mark E. Fulmer (Consultant - MRW)	2010	39.00	\$275	Rate requested in attachment 8	\$10,725	39.00	\$275	\$10,725.00
Laura B. Norin (Consultant - MRW)	2010	56.00	\$220	Rate requested in Attachment 3	\$12,320	56.00	\$220	\$12,320.00
Brandon J. Charles (Consultant - MRW)	2010	4.00	\$140	Rate requested in attachment 6	\$560	4.00	\$140	\$560.00
Sandhya Sundaragavan (Consultant – MRW)	2010	7.00	\$132	Rate requested in attachment 7	\$924	7.00	\$60	\$420.00
Steven C. McClary (Consultant – MRW)	2011	68.00	\$300	Rate requested in attachment 2	\$20,400	68.00	\$300	\$20,400.00
Heather L. Mehta (Consultant – MRW)	2011	55.25	\$275	Rate requested in attachment 5	\$15,194	55.25	\$275	\$15,193.75
Mark E. Fulmer (Consultant – MRW)	2011	24.25	\$275	Rate requested in attachment 8	\$6,669	24.25	\$275	\$6,668.75
Laura B. Norin (Consultant – MRW)	2011	138.25	\$220	Rate requested in attachment 3	\$30,415	138.25	\$220	\$30,415.00

Brandon J. Charles (Consultant – MRW)	2011	143.25	\$140/ \$155	Normal hourly rates of \$140 through September 2011, \$155 beginning in October 2011 Rate requested in Attachment 6	\$20,130	143.25	\$140	\$20,055.00
Sandhya Sundaragavan (Consultant – MRW)	2011	68.50	\$132	Rate requested in attachment 7	\$9,042	68.50	\$60	\$4,110.00
Garrick Jones (Consultant – JBS)	2011	0.75	\$140	D.12-03-024	\$105	.75	\$140	\$105.00
William Marcus (Consultant – JBS)	2011	8.83	\$250	D.11-09-036	\$2,207.50	8.83	\$250	\$2,207.50
	Subtotal:				\$276,666.50	Subtotal A:		\$225,083.25
						10% Reduction for Internal Duplication		(\$22,508.33)
						Subtotal B:		\$202,574.92
OTHER FEES								
Describe here what OTHER HOURLY FEES you are Claiming (paralegal, travel **, etc.):								
Item	Year	Hours	Rate	Basis for Rate*	Total \$	Hours	Rate	Total \$
Travel - Michael Shames	2010-2011	30.7	\$535	50% of rate requested	\$8,212.25	15	\$165	\$2,475
	Subtotal:				\$8,212.25	Subtotal:		\$2,475

INTERVENOR COMPENSATION CLAIM PREPARATION **								
Item	Year	Hours	Rate	Basis for Rate*	Total \$	Hours	Rate	Total \$
Laura B. Norin	2013	1.00	\$122.50	Half of normal hourly rate	\$122.50	0	0	0
Brandon J. Charles	2013	15.25	\$82.50	Half of normal hourly rate	\$1,258.00	10	\$70	\$700
David A. Peffer, Esq.	2013	2.5	\$100	Half of rate requested	\$250.00	2.5	\$100	\$250
	Subtotal:				\$1,630.50	Subtotal:		\$950
TOTAL REQUEST \$:					\$286,509.25	TOTAL AWARD \$:		\$205,999.92
<p>* We remind all intervenors that Commission staff may audit their records related to the award and that intervenors must make and retain adequate accounting and other documentation to support all claims for intervenor compensation. Claimant’s records should identify specific issues for which it seeks compensation, the actual time spent by each employee or consultant, the applicable hourly rates, fees paid to consultants and any other costs for which compensation was claimed. The records pertaining to an award of compensation shall be retained for at least three years from the date of the final decision making the award.</p> <p>** Travel time and reasonable claim preparation time typically compensated at ½ of preparer’s normal hourly rate.</p>								
ATTORNEY INFORMATION								
Attorney		Date Admitted to CA BAR ²		Member Number		Actions Affecting Eligibility (Yes/No?) If “Yes”, attach explanation		
Michael Shames		June 3, 1983		108582		No; please note		

² This information may be obtained through the State Bar of California's website at <http://members.calbar.ca.gov/fal/MemberSearch/QuickSearch>.

			from January 1, 1986 until January 15, 1987 and January 1, 1988 until October 5, 2011 Michael Shames was an inactive member of the California State Bar.
David Pepper	June 2, 2010	270479	No

C. CPUC Disallowances and Adjustments:

#	Reason
Reduction for duplication	The Commission's appreciates the comments filed by UCAN in response to the proposed decision. Such comments were incredibly helpful in explaining how UCAN's testimony differed from other intervenors and from ORA and how the group sought to avoid duplication. The Commission encourages UCAN, and all to intervenors, to include such explanation in the original request for intervenor compensation so that the Commission may issue appropriate awards. Nonetheless, UCAN has not justified the use of all of the expert hours claimed by MRW. We therefore reduce all hours claimed by 10% to account for internal inefficiency and duplication. We apply this deduction after taking account of the specific disallowances we discuss below.
Hourly Rate for Michael Shames	<p>In A.11-03-001, UCAN requested a merit-based hourly rate increase for Shames from his last-adopted rate of \$330 to a new rate of \$535. UCAN states that Shames has consistently billed at less than the maximum rate and that he should be compensated at a rate equivalent to lead attorneys with over 20 years of experience, such as Michel Florio and Robert Gnaizda.</p> <p>UCAN further contends that D.08-04-010 allows:</p> <p style="padding-left: 40px;">intervenor representative who has historically sought rates at the low end of an applicable rate range may request an increase within that range if the representative can clearly demonstrate in the compensation request that the representative's previously adopted rate is significantly less than that of close peers (those with closely comparable training and experience and performing closely similar</p>

	<p>services.) Such requests will be judged on a case-by-case basis, but at a minimum must show the previously adopted rate of the peer(s) and must include a detailed description of the work involved to the degree that a comparison readily can be made. D.08-04-010 at 9.</p> <p>The UCAN request references Florio and Gnaizda as close peers to Shames. As we determined in D.13-11-016, “while the number of years that Shames has appeared before the CPUC is similar to both Florio and Gnaizda, Shames was performing work as an advocate between 1998 and 2011 while Florio and Gnaizda were performing work as attorneys. It is not accurate to claim that Shames did the same work warranting a similar rate as adopted for Florio and Gnaizda.” D.13-11-016 at 8.</p> <p>We make the same determination here. UCAN recognizes that Shames’ membership in the State Bar of California was inactive from 1998 through October 5, 2011. While Shames is now an active member of the State Bar of California, it is not appropriate to increase the hourly rate for this proceeding to the requested amount, since the vast majority of the advocacy work performed by Shames occurred prior to October 5, 2011. In fact, in this intervenor compensation request, Shames identifies his work as that of an advocate for 2010 and 2011. Therefore, for work done in 2010 and 2011, we award Shames an hourly rate of \$330 per hour. For work done in 2012, we apply the rate of \$365 per hour, consistent with D.13-11-016. We remind UCAN that the justification for rates must be included in each intervenor compensation request.</p>
Hourly compensation for travel for Shames and Disallowance for certain hours	<p>Travel to hearings is compensated at half the applicable rate and therefore will be compensated at \$165 per hour. It is reasonable to compensate UCAN’s travel time and costs, since the travel is greater than 120 miles from UCAN’s headquarters. Shames claims 30.7 hours in travel time for trips to San Francisco on 8/25/10 (roundtrip) for the prehearing conference), 3/29/10 (one-way) for the settlement meeting), and on 10/30/11 (roundtrip) for the comparative hearings. These trips are reasonable and should be reimbursed at 5 hours per roundtrip (for a total of 15 hours in travel time). Shames also claims a trip to San Francisco on 6/6/11 (one-way) and back to San Diego on 6/8/11 (one-way) that do not mesh with his time records. We deny compensation for this travel.</p>
Hourly compensation for Peffer	<p>No previous compensation amount has been established for David Peffer. UCAN requests a rate of \$200 per hour, stating that Peffer has worked for UCAN as an attorney for two years, graduated from the University of California at Berkeley with high honors, and holds a law degree from the University of Michigan. Resolution ALJ-281 sets the compensation rate for attorneys with 0-2 years of experience at \$155-\$210 per hour for work performed in 2012. Peffer was admitted to the State Bar of California on 6/2/2010 and worked only on the intervenor compensation claim in this matter, which was filed on June 27, 2012. While UCAN has not</p>

	described the type of work that Peffer has performed as an attorney, it is reasonable to establish a rate of \$200 per hour for 2012.
Hourly compensation for Marcus	The hourly compensation claimed for Marcus is reasonable and is consistent with D.13-12-028 and D.13-08-022.
Hourly compensation for Jones	The hourly compensation claimed for Jones is reasonable and is consistent with D.13-08-022.
Hourly compensation for McClary	D.14-06-049 awarded \$300 per hour to McClary for 2011. We adopt the same rate here for 2010 and 2011.
Hourly Compensation for Norin and Disallowance for certain hours	D.14-06-049 awarded \$220 per hour to Norin for 2011 (through November). All of Norin's work occurred prior to November 2011. We adopt the same rate here for 2010 and 2011.
Hourly Compensation for Fulmer	UCAN requests a rate of \$275 per hour for Fulmer, who has over 20 years of experience in the energy sector, including ratemaking, resource planning, energy efficiency, forecasting, and demand-side management. The requested rate of \$275 per hour is at a mid-point on the range approved for experts in Resolution ALJ-281 for 2010 and 2011, and we adopt it here.
Hourly Compensation for Mehta and Disallowance for certain hours	UCAN requests a rate of \$275 per hour for Mehta for work done in 2010 and 2011. Mehta is a principal of MRW & Associates, LLC, where she has consulted on California energy issues since 1998. She holds a masters degree in International Affairs from Columbia University and has more than 15 years of experience conducting energy analyses, with specialties in the areas of regulatory and legislative policy-making and energy management and supply options. Pursuant to Resolution ALJ-281, the range for such experts is \$155-\$390 in 2010 and 2011. The requested rate for Mehta is at a mid-point on this range and is reasonable.
Hourly Compensation for Charles and Disallowance for certain hours	In its filing, UCAN requests \$155 per hour for Charles, but requests \$140 per hour in its claim for 2010 and 2011 through September 2011 and \$155 per hour thereafter. However, UCAN makes no justification for the increase and we do not award it here. Consistent with Resolution ALJ-281, experts with 0-6 years of experience are awarded a range of \$125-\$185 for work in 2011. \$140 per hour for work in 2010 and 2011 is reasonable and commensurate with other market rates.
Reduction of Sundaragavan's rate	As stated in her time records, Sundaragavan's hours are used for research, literature review, citation checking, and compilation of witness books. As in D.14-08-025, Sundaragavan's rate is set at \$60.00, appropriate for a research assistant.

Reduction of hours for preparation of intervenor compensation claim	UCAN has claimed 18.75 hours for preparation of this intervenor compensation claim, a claim that included errors and for which additional information had to be requested. We reduce the claim for Mr. Charles's hours to 10, a more reasonable estimate of the time needed. We disallow Norin's hours. She appeared to review the claim, as did Pepper. Two levels of review are unnecessary. This reduction is additionally warranted since the attorneys "finalize[d]" the claim. Such clerical work is built into the rate established for attorneys and is not compensable. <i>See D.11-07-024.</i>
Clarification of Total Reduction	The Commission notes that the reduction in award totals \$80,509.33. Of that figure, \$46,071.50 (~57% of the total reduction) is the direct result of the inappropriate rate sought for Shames, a reduction which UCAN agrees is appropriate.

PART IV: OPPOSITIONS AND COMMENTS

Within 30 days after service of this Claim, Commission Staff or any other party may file a response to the Claim (*see* § 1804(c))

A. Opposition: Did any party oppose the Claim?	No
B. Comment Period: Was the 30-day comment period waived (<i>see</i> Rule 14.6(2)(6))?	No

If not:

Party	Comments	CPUC Disposition
Utility Consumers' Action Network	<p>On September 17, 2014, the Utility Consumers' Action Network (UCAN) filed comments on the proposed decision. UCAN contends that a 20% reduction for inefficiency and duplication is unwarranted and should not be imposed by the Commission. UCAN believes that its testimony and positions were not duplicative of other parties to the proceeding. In addition, UCAN's participation in the proceeding resulted in significant savings to ratepayers.</p> <p>Outside of the duplication concern, UCAN also contends that the disallowances imposed by the Commission on the group's experts were not warranted and should not be part of the final decision.</p>	The comments have been considered and appropriate changes have been made.

FINDINGS OF FACT

1. UCAN has made a substantial contribution to D.12-12-004.
2. The requested hourly rates for UCAN's representatives, as adjusted herein, are comparable to market rates paid to experts and advocates having comparable training and experience and offering similar services.
3. The claimed costs and expenses, as adjusted herein, are reasonable and commensurate with the work performed.
4. The total of reasonable compensation is \$205,999.92.

CONCLUSION OF LAW

1. The Claim, with any adjustment set forth above, satisfies all requirements of Public Utilities Code §§ 1801-1812.

ORDER

1. The Utility Consumers Action Network is awarded \$205,999.92.
2. Within 30 days of the effective date of this decision, San Diego Gas & Electric Company shall pay the Utility Consumers Action Network the total award. Payment of the award

3. shall include compound interest at the rate earned on prime, three-month non-financial commercial paper as reported in Federal Reserve Statistical Release H.15, beginning May 1, 2013, the 75th day after the filing of the Utility Consumers Action Network's request, and continuing until full payment is made.
4. The comment period for today's decision is not waived.
5. This decision is effective today.

Dated _____, at San Francisco, California.

APPENDIX
Compensation Decision Summary Information

Compensation Decision:		Modifies Decision?	no
Contribution Decision(s):	D1212004		
Proceeding(s):	A1007009		
Author:	ALJ Hecht		
Payer(s):	San Diego Gas & Electric Company		

Intervenor Information

Intervenor	Claim Date	Amount Requested	Amount Awarded	Multiplier?	Reason Change/Disallowance
Utility Consumers' Action Network (UCAN)	2/15/2013	\$286,509.25	\$205,999.92	No	Reduced compensation for excessive internal duplication, inefficient use of time, disallowance of travel hours, and reduced hourly rates.

Advocate Information

First Name	Last Name	Type	Intervenor	Hourly Fee Requested	Year Hourly Fee Requested	Hourly Fee Adopted
Michael	Shames	Advocate	UCAN	\$535	2010	\$330
Michael	Shames	Advocate	UCAN	\$535	2011	\$330
Michael	Shames	Advocate /Attorney	UCAN	\$535	2012	\$365
David	Peffer	Attorney	UCAN	\$200	2012	\$200
Laura	Norin	Expert	UCAN	\$220	2010	\$220
Laura	Norin	Expert	UCAN	\$220	2011	\$200
Steven	McClary	Expert	UCAN	\$300	2010	\$300
Steven	McClary	Expert	UCAN	\$300	2011	\$300
Mark	Fulmer	Expert	UCAN	\$275	2010	\$275
Mark	Fulmer	Expert	UCAN	\$275	2011	\$275
Heather	Mehta	Expert	UCAN	\$275	2010	\$275
Heather	Mehta	Expert	UCAN	\$275	2011	\$275
Brandon	Charles	Expert	UCAN	\$140	2010	\$140
Brandon	Charles	Expert	UCAN	\$155	2011	\$140
Garrick	Jones	Expert	UCAN	\$140	2011	\$140
William	Marcus	Expert	UCAN	\$250	2011	\$250
Sandhya	Sundaragavan	Research Assistant	UCAN	\$132	2010	\$60
Sandhya	Sundaragavan	Research Assistant	UCAN	\$132	2011	\$60

(END OF APPENDIX)